

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-1542-AIR-E **TCEQ ID:** RN100218486 **CASE NO.:** 34672
RESPONDENT NAME: Dixie Chemical Company, Inc.

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Dixie Chemical Bayport Facility, 10701 Bay Area Boulevard, Pasadena, Harris County</p> <p>TYPE OF OPERATION: Chemical manufacturing plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on January 28, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768 TCEQ Enforcement Coordinator: Mr. Thomas Jecha, Enforcement Division, Enforcement Team 3, MC 149, (512) 239-2576; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Edward Mikowski, Environmental Manager, Dixie Chemical Company, Inc., 10601 Bay Area Boulevard, Pasadena, Texas 77507 Mr. David K. Girdler, Vice President of Operations, Dixie Chemical Company, Inc., 10601 Bay Area Boulevard, Pasadena, Texas 77507 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: August 6, 2007</p> <p>Date of NOV/NOE Relating to this Case: August 29, 2007 (NOE)</p> <p>Background Facts: This was a routine records review investigation. One violation was documented.</p> <p>AIR</p> <p>Failure to prevent unauthorized emissions. Specifically, 1,408 pounds of toluene was released when the Respondent failed to prevent a pinhole leak on the transfer line of Tank 128 in the 100 Process Area at the Plant. The resulting emissions event occurred on May 18, 2007 and lasted for 132 hours and five minutes (Incident No. 91351). Since this emissions event was avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c), TCEQ Air Permit No. 18342, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$3,300</p> <p>Total Deferred: \$660 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$1,320</p> <p>Total Paid to General Revenue: \$1,320</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Ordering Provisions:</p> <p>1. The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See Attachment A)</p> <p>2. The Order will also require the Respondent to:</p> <p>a. Within 30 days of the effective date of this Agreed Order, develop and implement schedules and procedures to ensure that all piping in the 100 Process Area is inspected on a regular basis and maintained to prevent leaks caused by external corrosion; and</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2. a.</p>

Additional ID No(s): HG0199M

Attachment A
Docket Number: 2007-1542-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Dixie Chemical Company, Inc.

Payable Penalty Amount: Two Thousand Six Hundred Forty Dollars (\$2,640)

SEP Amount: One Thousand Three Hundred Twenty Dollars (\$1,320)

Type of SEP: Pre-approved

Third-Party Recipient: Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program

Location of SEP: Harris County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality.***

SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

Dixie Chemical Company, Inc.
Agreed Order – Attachment A

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision March 19, 2007

TCEQ

DATES	Assigned	4-Sep-2007
	PCW	21-Sep-2007
	Screening	21-Sep-2007
	EPA Due	25-May-2008

RESPONDENT/FACILITY INFORMATION

Respondent	Dixie Chemical Company, Inc.		
Reg. Ent. Ref. No.	RN100218486		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	34672	No. of Violations	1	
Docket No.	2007-1542-AIR-E	Order Type	1660	
Media Program(s)	Air	Enf. Coordinator	Thomas Jecha	
Multi-Media		EC's Team	EnforcementTeam 3	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$2,500**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **32% Enhancement** **Subtotals 2, 3, & 7** **\$800**

Notes Enhancement for one agreed order with denial of liability, two same or similar NOV's, and one dissimilar NOV issued to this plant within the past five years.

Culpability **No** **0% Enhancement** **Subtotal 4** **\$0**

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply **0% Reduction** **Subtotal 5** **\$0**

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes The Respondent does not meet the good faith criteria.

0% Enhancement* **Subtotal 6** **\$0**
*Capped at the Total EB \$ Amount
Total EB Amounts **\$25**
Approx. Cost of Compliance **\$500**

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$3,300**

OTHER FACTORS AS JUSTICE MAY REQUIRE

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Adjustment **\$0**

Notes

Final Penalty Amount **\$3,300**

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty **\$3,300**

DEFERRAL

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

20% Reduction **Adjustment** **-\$660**

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$2,640**

Screening Date 21-Sep-2007

Docket No. 2007-1542-AIR-E

PCW

Respondent Dixie Chemical Company, Inc.

Policy Revision 2 (September 2002)

Case ID No. 34672

PCW Revision March 19, 2007

Reg. Ent. Reference No. RN100218486

Media [Statute] Air

Enf. Coordinator Thomas Jecha

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOV's with same or similar violations as those in the current enforcement action (number of NOV's meeting criteria)	2	10%
	Other written NOV's	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 32%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for one agreed order with denial of liability, two same or similar NOV's, and one dissimilar NOV issued to this plant within the past five years.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 32%

Screening Date 21-Sep-2007

Docket No. 2007-1542-AIR-E

PCW

Respondent Dixie Chemical Company, Inc.

Policy Revision 2 (September 2002)

Case ID No. 34672

PCW Revision March 19, 2007

Reg. Ent. Reference No. RN100218486

Media [Statute] Air

Enf. Coordinator Thomas Jecha

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), TCEQ Air Permit No. 18342, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 1,408 pounds of toluene was released when the Respondent failed to prevent a pinhole leak on the transfer line of Tank 128 in the 100 Process Area at the Plant. The resulting emissions event occurred on May 18, 2007 and lasted for 132 hours and five minutes (Incident No. 91351). Since this emissions event was avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 25%

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor
2500				

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

6 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$2,500

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$25

Violation Final Penalty Total \$3,300

This violation Final Assessed Penalty (adjusted for limits) \$3,300

Economic Benefit Worksheet

Respondent Dixie Chemical Company, Inc.
Case ID No. 34672
Reg. Ent. Reference No. RN100218486
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No commas or \$</small>							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$500	18-May-2007	23-May-2008	1.0	\$25	n/a	\$25

Notes for DELAYED costs

Estimated cost to develop and implement schedules and procedures to ensure that all piping is inspected on a regular basis and maintained to prevent leaks caused by external corrosion. The date required is the date of the emissions event and the final date is the expected date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$25

Compliance History

Customer/Respondent/Owner-Operator:	CN600129670	Dixie Chemical Company, Inc.	Classification: Average	Rating: 6.28
Regulated	RN100218486	DIXIE CHEMICAL BAYPORT FACILITY	Classification: Average	Site Rating: 24.22
ID Number(s):	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID		TXD008088247
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)		30314
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT		1012065
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT		50027
	PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION		35698
	AIR NEW SOURCE PERMITS	PERMIT		1159
	AIR NEW SOURCE PERMITS	PERMIT		1160
	AIR NEW SOURCE PERMITS	PERMIT		1250
	AIR NEW SOURCE PERMITS	PERMIT		1995
	AIR NEW SOURCE PERMITS	PERMIT		2363
	AIR NEW SOURCE PERMITS	PERMIT		2363A
	AIR NEW SOURCE PERMITS	PERMIT		2391
	AIR NEW SOURCE PERMITS	PERMIT		3584
	AIR NEW SOURCE PERMITS	PERMIT		5234
	AIR NEW SOURCE PERMITS	PERMIT		5798
	AIR NEW SOURCE PERMITS	PERMIT		6703
	AIR NEW SOURCE PERMITS	PERMIT		10938
	AIR NEW SOURCE PERMITS	PERMIT		12406
	AIR NEW SOURCE PERMITS	PERMIT		13178
	AIR NEW SOURCE PERMITS	PERMIT		18342
	AIR NEW SOURCE PERMITS	PERMIT		18658
	AIR NEW SOURCE PERMITS	PERMIT		20594
	AIR NEW SOURCE PERMITS	PERMIT		23153
	AIR NEW SOURCE PERMITS	PERMIT		23557
	AIR NEW SOURCE PERMITS	PERMIT		26060
	AIR NEW SOURCE PERMITS	PERMIT		26861
	AIR NEW SOURCE PERMITS	PERMIT		31150
	AIR NEW SOURCE PERMITS	PERMIT		30674
	AIR NEW SOURCE PERMITS	PERMIT		31743
	AIR NEW SOURCE PERMITS	PERMIT		33618
	AIR NEW SOURCE PERMITS	PERMIT		34477
	AIR NEW SOURCE PERMITS	PERMIT		35143
	AIR NEW SOURCE PERMITS	PERMIT		37801
	AIR NEW SOURCE PERMITS	PERMIT		39405
	AIR NEW SOURCE PERMITS	PERMIT		41178
	AIR NEW SOURCE PERMITS	PERMIT		45689
	AIR NEW SOURCE PERMITS	PERMIT		46229
	AIR NEW SOURCE PERMITS	PERMIT		46478
	AIR NEW SOURCE PERMITS	PERMIT		46713
	AIR NEW SOURCE PERMITS	PERMIT		46750
	AIR NEW SOURCE PERMITS	PERMIT		46856
	AIR NEW SOURCE PERMITS	PERMIT		46903
	AIR NEW SOURCE PERMITS	PERMIT		48111
	AIR NEW SOURCE PERMITS	PERMIT		49258
	AIR NEW SOURCE PERMITS	PERMIT		49381
	AIR NEW SOURCE PERMITS	PERMIT		49274
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER		HG0199M
	AIR NEW SOURCE PERMITS	PERMIT		51938
	AIR NEW SOURCE PERMITS	PERMIT		52445
	AIR NEW SOURCE PERMITS	PERMIT		54883
	AIR NEW SOURCE PERMITS	PERMIT		55425
	AIR NEW SOURCE PERMITS	AFS NUM		4820100078
	AIR NEW SOURCE PERMITS	REGISTRATION		71341
	AIR NEW SOURCE PERMITS	PERMIT		50591
	AIR NEW SOURCE PERMITS	PERMIT		50779
	AIR NEW SOURCE PERMITS	PERMIT		54075
	AIR NEW SOURCE PERMITS	PERMIT		54692

AIR NEW SOURCE PERMITS	PERMIT	54691
AIR NEW SOURCE PERMITS	PERMIT	54690
AIR NEW SOURCE PERMITS	PERMIT	52471
AIR NEW SOURCE PERMITS	PERMIT	50955
AIR NEW SOURCE PERMITS	PERMIT	51400
AIR NEW SOURCE PERMITS	REGISTRATION	76464
AIR NEW SOURCE PERMITS	REGISTRATION	76459
AIR NEW SOURCE PERMITS	REGISTRATION	76392
AIR NEW SOURCE PERMITS	REGISTRATION	76563
AIR NEW SOURCE PERMITS	REGISTRATION	76618
AIR NEW SOURCE PERMITS	REGISTRATION	77257
AIR NEW SOURCE PERMITS	REGISTRATION	78374
AIR NEW SOURCE PERMITS	REGISTRATION	78376
AIR NEW SOURCE PERMITS	REGISTRATION	78263
AIR NEW SOURCE PERMITS	REGISTRATION	78489
AIR NEW SOURCE PERMITS	REGISTRATION	78491
AIR NEW SOURCE PERMITS	REGISTRATION	79053
AIR NEW SOURCE PERMITS	REGISTRATION	79559
AIR NEW SOURCE PERMITS	REGISTRATION	81234
AIR NEW SOURCE PERMITS	REGISTRATION	81571
AIR NEW SOURCE PERMITS	REGISTRATION	81942
PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011574
STORMWATER	PERMIT	TXR050323
WATER LICENSING	LICENSE	1011574

Location: 10701 BAY AREA BLVD, PASADENA, TX, 77507 Rating Date: 9/1/2007 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prep: September 20, 2007

Agency Decision Requiring Compliance Enforcement

Compliance Period: October 03, 2002 to October 03, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Thomas Jecha Phone: 512 239 2576

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance Yes
2. Has there been a (known) change in ownership of the site during the compliance No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A Effective Date: 11/06/2005 ADMINORDER 2005-0126-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 18658 Special Condition 1 PERMIT

Description: Failure to comply with the permitted emission limit of 0.45 pounds per hour of methyl isobutyl ketone.

- B. Any criminal convictions of the state of Texas and the federal government.

N/A

- C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	07/02/2003	(126733)
2	07/28/2003	(144617)
3	08/28/2003	(9808)
4	10/08/2003	(250864)
5	01/15/2004	(254477)
6	01/15/2004	(254484)
7	09/30/2004	(289985)
8	12/30/2004	(291319)
9	01/25/2006	(439874)
10	02/24/2006	(438011)
11	03/08/2006	(458142)
12	05/25/2006	(467418)
13	10/04/2006	(497172)
14	02/22/2007	(517538)
15	05/21/2007	(514272)
16	08/06/2007	(532483)
17	08/29/2007	(571866)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 08/28/2003 (9808)

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PERMIT 18342

Description: Failure to monitor Tag #062 within the time allowed after repair had been completed.

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.130

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.182(d)(1)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.182(d)(2)

Description: Failure to submit accurately completed HON reports to the agency.

Date: 02/27/2006 (438011)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PERMIT Permit No. S-18658/SC 13C

Description: RE failed to conduct stack testing within 90 days of the issuance of the permit amendment.

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PERMIT Permit No. S-18658/SC 1.

Description: RE failed to meet the emissions limits as specified in the MAER Table for Permit No. S-18658, EPN No. EA19FL03.

Date: 10/06/2006 (497172)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: PA 18658 S.C. No. 1

Description: Dixie Chemical failed to prevent an avoidable emissions event.

F. Environmental audits

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
DIXIE CHEMICAL COMPANY, INC.
RN100218486**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-1542-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Dixie Chemical Company, Inc. ("Dixie Chemical") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Dixie Chemical appear before the Commission and together stipulate that:

1. Dixie Chemical owns and operates a chemical manufacturing plant at 10701 Bay Area Boulevard in Pasadena, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and Dixie Chemical agree that the Commission has jurisdiction to enter this Agreed Order, and that Dixie Chemical is subject to the Commission's jurisdiction.
4. Dixie Chemical received notice of the violations alleged in Section II ("Allegations") on or about September 3, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Dixie Chemical of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Three Thousand Three Hundred Dollars (\$3,300) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Dixie Chemical has paid One Thousand Three Hundred Twenty Dollars (\$1,320) of the

administrative penalty and Six Hundred Sixty Dollars (\$660) is deferred contingent upon Dixie Chemical's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Dixie Chemical fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Dixie Chemical to pay all or part of the deferred penalty. One Thousand Three Hundred Twenty Dollars (\$1,320) shall be conditionally offset by Dixie Chemical's completion of a Supplemental Environmental Project.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and Dixie Chemical have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Dixie Chemical has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, Dixie Chemical is alleged to have failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c); TCEQ Air Permit No. 18342, Special Condition No. 1; and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on August 6, 2007. Specifically, 1,408 pounds of toluene was released when Dixie Chemical failed to prevent a pinhole leak on the transfer line of Tank 128 in the 100 Process Area at the Plant. The resulting emissions event occurred on May 18, 2007 and lasted for 132 hours and five minutes (Incident No. 91351). Since this emissions event was avoidable, Dixie Chemical failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

III. DENIALS

Dixie Chemical generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Dixie Chemical pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Dixie Chemical's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Dixie Chemical Company, Inc., Docket No. 2007-1542-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. Dixie Chemical shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, One Thousand Three Hundred Twenty Dollars (\$1,320) of the assessed administrative penalty shall be offset with the condition that Dixie Chemical implement the SEP defined in Attachment A, incorporated herein by reference. Dixie Chemical's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that Dixie Chemical shall undertake the following technical requirements:
 - a. Within 30 days of the effective date of this Agreed Order, develop and implement schedules and procedures to ensure that all piping in the 100 Process Area is inspected on a regular basis and maintained to prevent leaks caused by external corrosion; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3. a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

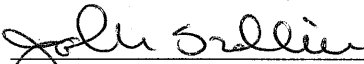
Air Section, Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

4. The provisions of this Agreed Order shall apply to and be binding upon Dixie Chemical. Dixie Chemical is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If Dixie Chemical fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Dixie Chemical's failure to comply is not a violation of this Agreed Order. Dixie Chemical shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Dixie Chemical shall notify the Executive Director within seven days after Dixie Chemical becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Dixie Chemical shall be made in writing to the Executive Director. Extensions are not effective until Dixie Chemical receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Agreed Order, issued by the Commission, shall not be admissible against Dixie Chemical in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Dixie Chemical, or three days after the date on which the Commission mails notice of the Order to Dixie Chemical, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

11/21/2008
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

November 30, 2007
Date

David K. Girdler

Name (Printed or typed)
Authorized Representative of
Dixie Chemical Company, Inc.

Vice-President of Operations

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2007-1542-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Dixie Chemical Company, Inc.
Payable Penalty Amount:	Two Thousand Six Hundred Forty Dollars (\$2,640)
SEP Amount:	One Thousand Three Hundred Twenty Dollars (\$1,320)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program
Location of SEP:	Harris County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality***. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

Dixie Chemical Company, Inc.
Agreed Order – Attachment A

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

